



**State of California**  
**Gray Davis, Governor**  
**Business, Transportation and Housing Agency**

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Thursday, October 17, 2002

**TO:** All Full Service Health Plans

**FROM:** Joy O. Higa  
Deputy Director for Plan and Provider Relations

**RE:** **Survey Regarding Outpatient Prescription Drug Benefits**

Last month, Governor Gray Davis signed SB 842 (Chap. 791, Stats. 2002), which requires the Department of Managed Health Care (Department) to adopt regulations outlining standards for HMO outpatient prescription drug benefits, including co-payments, deductibles, exclusions and limitations. Our objective in developing these regulations is to strike the appropriate balance between HMO patient protections, and the ability of plans and employers to offer affordable health care coverage.

In response to the Governor's directive to the Department to gather information regarding prescription drug benefits and market trends, we ask that you complete the attached survey. The survey seeks comprehensive information about drug benefits offered in HMO commercial and government programs, as well as products offered by plan affiliates licensed by the California Department of Insurance. Gathering information about prescription drug benefits offered by entities licensed by both state regulators will enable the Department to establish a broad foundation for public discussion and subsequent regulatory development.

Your completed survey should be submitted to the Department no later than **close of business, Friday, November 8, 2002**. The survey is designed for response via e-mail and should be submitted to Ralph Rodriguez at [rrodriguez@dmhc.ca.gov](mailto:rrodriguez@dmhc.ca.gov). If you are unable to complete and return the survey electronically, please fax the completed document to (916) 322-2533 attention Ralph V. Rodriguez and mail to the following address:

**Department of Managed Health Care**  
**Office of Legal Services**  
**Attention: Ralph V. Rodriguez**  
**980 9th Street, Suite 500**  
**Sacramento, CA 95814**

If you have any questions about completing the survey, please feel free to contact Ralph V. Rodriguez at (916) 445-0330.

Attachment